

UMW ACHIEVES PRETAX PROFIT OF RM432.7 M IN 1Q13



RM million	1Q13	4Q12 (Restated)	Change
Profit Before Taxation	432.7	462.9	(6.5%)

EXECUTIVE SUMMARY

1Q13 financial highlights

- Group revenue registered a decrease of 17.3% compared with the previous quarter. Profit before taxation reduced by 6.5%.
- However, net profit attributable to equity holders of the Company increased by 6% compared with 4Q12.
- Consolidated cash and deposits stood at RM2.3 billion.

1Q13 highlights

- Perodua maintained their market share, while Toyota registered lower sales due to the intense competition from the launches of the new models from the competitors.
- Our market share in the heavy equipment segment increased to 35%. We also received a contract to supply fire-fighting vehicles worth RM45 million.
- NAGA 1 has resumed operations with Petronas Carigali Sdn. Bhd. We announced plans to list our Oil & Gas Division.
- Manufacturing & Engineering Division registered a higher revenue compared with 4Q12 due to higher demand for our products.

Prospects for 2013

- We hope to at least maintain our market share of 47% in the Malaysian automotive industry.
- Equipment Division's profitability is expected to be sustained resulting from better cost management and increased parts sales.
- For Oil & Gas Division, there will be a full-year revenue contribution from NAGA 1, contribution from NAGA 4 and from a newly-completed plant in China.
- Manufacturing & Engineering - Higher capacity utilisation for our automotive component plants in India and lubricant plant in China, and increased sales of lubricants.

Dear fund managers and analysts,

The Group registered a lower revenue compared to the last quarter. This was contributed by the lower contributions from the Automotive, Equipment and Oil & Gas segments.

Our Automotive Division registered lower sales in 1Q13, mainly due to intense competition from new models launched by the competitors. However, we are maintaining our 2013 sales targets.

The Oil & Gas Division registered a healthy profit. We have taken delivery of our fourth drilling rig and have also secured a contract for this rig. We have also announced our plans to list the Oil & Gas Division.

Our Equipment Division continued to generate strong revenue. The improved profit was mainly contributed by the business improvement in Niugini and lower operating expenses.

Manufacturing & Engineering Division also did well due to strong demand for our products. Results are expected to improve with higher capacity utilisation for the automotive component plants in India and lubricant plant in China.

Datuk Syed Hisham bin Syed Wazir
President & Group CEO
UMW Holdings Berhad

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Group Income Statement

	1Q13 RM'000	4Q12 RM'000 (Restated)	1Q12 RM'000 (Restated)	FY 2012 RM'000 (Restated)	FY 2011 RM'000 (Audited) Restated	% change for 1Q
Revenue	3,359,296	4,061,138	3,700,037	15,798,828	13,535,753	-17.3% QoQ
Share of Profits of Associated Companies	38,497	30,301	24,977	126,156	120,889	+27.0% QoQ
Profit Before Taxation	432,703	462,855	436,712	2,020,277	1,365,251	-6.5% QoQ
Net Profit Attributable To Shareholders	219,664	207,638	220,034	994,296	485,818	+5.8% QoQ

Prospects for 2013

Automotive Division

- UMW Group's combined total sales is forecasted to be about 299,500 units for 2013.
- The Division is expected to continue to perform well with the introductions of new models.
- We hope to at least maintain our market share at 47%.

Equipment Division

- Malaysia's GDP growth is forecasted to be 5.6% in 2013, driven by exports and domestic demand.
- Profitability of the Division is expected to be sustained due to better cost management and increased parts sales.
- Good prospects for air & gas compression packages in view of the continuous demand for new equipment in oil & gas industry.

Oil & Gas Division

- Full-year revenue contributions from NAGA 1.
- NAGA 4 started operations in May 2013.
- UMW received Letter of Award from Shell for the supply of Single Combo Top Tension Riser for Malikai Project. The contract is valued at US\$140m and expected to contribute positively to 2013 earnings.
- Commissioning of the new Electric Resistance Welded (ERW) and coating plant in China.

Manufacturing & Engineering Division

- Higher capacity utilisation for our automotive component plants in India and lubricant plant in China.
- Increased sales of Repsol and Pennzoil lubricant products.

BUSINESS SEGMENT – AUTOMOTIVE

Segmental Reporting

	1Q13 RM'000	4Q12 RM'000	1Q12 RM'000	FY 2012 RM'000	FY 2011 RM'000	% change for 1Q
Revenue	2,392,089	3,049,044	2,497,339	11,498,096	9,699,027	-21.5% QoQ
Profit Before Taxation	368,055	425,991	370,697	1,796,792	1,547,897	-13.6% QoQ

Company	UMW Toyota Motor Sdn. Bhd. (51% subsidiary company)	Perusahaan Otomobil Kedua Sdn. Bhd. (38% associated company)
Vehicle sales	<ul style="list-style-type: none"> Toyota sold 20,137 units in 1Q13 compared with 22,540 units in 1Q12, a decrease of 10.7%. For 1Q13, Lexus sold 229 units compared with 352 units in 1Q12. 	<ul style="list-style-type: none"> Perodua registered sales of 46,696 units for 1Q13, compared with 44,743 units in 1Q12, an increase of 4.4%.
Market share of TIV	<ul style="list-style-type: none"> UMW Toyota sold 20,366 units in 1Q13. Market share for Toyota including Lexus was at 13%. UMW Toyota has maintained No.1 position in non-National segment for 23 consecutive years. 	<ul style="list-style-type: none"> Market share was at 29.6%. Retained No. 1 position for the 7th consecutive year in 2012.
1Q13 Highlights	<ul style="list-style-type: none"> Lower numbers in 1Q13 is due to:- <ul style="list-style-type: none"> Strong promotions and sales in 4Q12 in conjunction with UMW Toyota's 30th anniversary celebrations. Lower demand as customers were hoping for cheaper cars, as promised by an election manifesto. 	<ul style="list-style-type: none"> Launched its most value-for-money variants for its consumers so far. The 3 new variants (Viva S, Myvi 1.3 SE and Alza S) – dubbed the "S-Series" - enhance the value, usability and styling of all 3 of the compact carmaker's current model line-up. The "S" in "S-Series" stands for "Special".) A new plant in Rawang is being set-up and will be able to produce 100,000 vehicles yearly on a one-shift cycle, by 2014 and the name of the RM790 million state-of-the-art new manufacturing plant is "Perodua Global Manufacturing Sdn Bhd".

BUSINESS SEGMENT – EQUIPMENT

Segmental Reporting

	1Q13 RM'000	4Q12 RM'000	1Q12 RM'000	FY 2012 RM'000	FY 2011 RM'000	% change for 1Q
Revenue	479,387	437,789	614,802	2,138,469	2,078,894	+9.5% QoQ
Profit Before Taxation	59,080	9,456	54,071	183,458	70,510	>+100% QoQ

Heavy Equipment

Strong market share

- Overall market share increased to 35% in 1Q13. However, due to the soft and uncertain market conditions resulting from the impending GE13, the overall market size has shrunk.
- UMW continues to be the market leader in Peninsular Malaysia for the heavy equipment business.
- We received a contract worth RM45 million from Malaysia Airports Holdings Berhad to supply fire-fighting vehicles.

Others

- The Malaysian economy continued to be strong due to strong domestic fundamentals and the government's Economic Transformation Programme (ETP).
- The strengthening of Ringgit Malaysia and the weakening of Yen are expected to give us better margins.
- Commodity prices, especially palm oil and iron ore, continued to slump due to concerns over the Euro zone economy and slowdown in China's economy.

Industrial Equipment

Dominant market share

- Toyota forklift maintained its 50% market share in Malaysia's material handling equipment business.

Recognition

- Received Toyota President's Gold Award – Toyota Material Handling International (TMHI) Award Program 2012.
- Achieved Diamond Club Membership Status in the TMHI Premier Club Recognition Program.
- Received Tennant SEAT Export Distributor of The Year Award 2012 from Tennant Company.
- Received Tennant Successful Strategic Key Account Winner 2012

Highlights

- Delivered 41 units of Toyota forklifts & towing tractors to Toyo Tyre Malaysia Sdn. Bhd.
- Delivered 12 units of Toyota forklifts under new rental contract with Chin Well Group.
- Delivered 12 units of Toyota forklifts under renewal rental contract with Samling Group.
- Delivered 9 units of Toyota forklifts to Press Metal Group

Marine & Power Equipment

Highlights

- Secured contract to supply 3 units of instrument air compressor and dryer packages to a gas processing plant in Kerteh.
- Commissioned 2 units of instrument air compressor and dryer packages at Sabah offshore production platform.

BUSINESS SEGMENT – OIL & GAS

Segmental Reporting

	1Q13 RM'000	4Q12 RM'000 (Restated)	1Q12 RM'000 (Restated)	FY 2012 RM'000 (Restated)	FY 2011 RM'000 Restated	% change for 1Q
Revenue	178,743	246,426	276,902	1,474,543	1,109,624	-27.5% QoQ
Profit Before Taxation	23,466	(17,613)	43,067	68,234	(245,877)	>+100% QoQ

Results

- Lower revenue from NAGA 1 due to the refurbishment exercise.
- Lower revenue from oilfield services.

Highlights

- NAGA 1 has completed its deep-dish installation. It has resumed operations with Petronas Carigali Sdn. Bhd. for the remainder of its five-year term, which now expires in August 2016.
- In addition, Petronas Carigali has awarded a further two-year contract extension for NAGA 1 commencing August 2016, valued at USD130 million.
- NAGA 2 has secured a contract from Petrovietnam Drilling and Well Services Corporation for six months with an option for another six months, starting from June 2013.
- NAGA 4 received a 3-year contract from Petronas Carigali in April, valued at USD157.68 million, with an additional two-year option for renewal.

Prospects for 2013

- Full-year revenue contribution from NAGA 1.
- NAGA 4 will be revenue-generating from May 2013.
- Commissioning of the new Electric Resistance Welded (ERW) and coating plant in China.
- Higher profit contributions are expected from some of our overseas associated companies due to higher demand and higher utilisation levels.

BUSINESS SEGMENT – MANUFACTURING & ENGINEERING

Segmental Reporting

	1Q13 RM'000	4Q12 RM'000 (Restated)	1Q12 RM'000 (Restated)	FY 2012 RM'000 (Restated)	FY 2011 RM'000	% change for 1Q
Revenue	177,131	171,474	158,430	680,708	670,433	+3.3% QoQ
Profit Before Taxation	9,388	1,724	4,104	3,604	(11,929)	>+100% QoQ

Results

- Manufacturing & Engineering Division's 1Q13 revenue increased by 3.3% from 4Q12.
 - Higher overall demand in the lubricants and automotive business.
 - Higher export achieved for 4-wheel REM export market.
- The Division's profit before tax increased substantially compared to 4Q12.
- Operating companies in Malaysia fared better in 1Q13 than 4Q12, backed by improved overall demand in the lubricants market.

Highlights

- Operations in China recorded higher revenue in 1Q13 as they secured a contract to supply REPSOL products to FAW-Mazda replacement equipment market (REM).
- Entered into a joint venture in May 2013 with the Blue Bird Group (BBG) of Indonesia through the latter's nominee, PT Pusaka Sukucadang Indonesia to provide lubricants, automotive components and service centre operations in Indonesia.

Prospects for 2013

- Higher capacity utilisation for our automotive component plants in India and lubricant plant in China.
- Increased sales of Repsol and Pennzoil lubricant products.

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Consolidated Balance Sheet

	At 31/3/2013 RM'000	Restated 31/12/2012 RM'000	At 31/12/2012 RM'000
Investment In Associates	1,618,297	1,554,729	1,565,155
Property, Plant & Equipment	3,472,143	2,997,268	3,195,621
Deposits, Cash & Bank Balances	2,306,415	2,492,582	2,495,305
Inventories	2,059,660	1,768,818	1,834,529
TOTAL ASSETS	11,955,730	11,495,403	11,792,405
Long Term Borrowings	2,149,652	1,633,939	1,726,382
Short Term Borrowings (include ODs)	1,006,512	1,073,674	1,154,981
TOTAL EQUITY	6,629,781	6,298,417	6,227,599
Net Assets Per Share (RM)	4.34	4.15	4.11



THANK YOU



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